

# EXHIBIT A

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APR 23 2007

I hereby attest and certify on \_\_\_\_\_  
that the foregoing document is a full, true  
and correct copy of the original on file in  
my office, and in my legal custody.

CLERK U.S. DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

~~ROSALIND TYUS-SIMON~~  
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UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

### June 2006 Grand Jury

UNITED STATES OF AMERICA, ) NO. CR 07-00134

12 Plaintiff, ) I N D I C T M E N T  
13 v. )  
14 SONNY VLEISIDES, ) [18 U.S.C. § 1341: Mail Fraud;  
JAMES RAY HOUSTON, ) 18 U.S.C. § 1956(a)(1)(A)(i):  
15 aka Rex Rogers, ) Promotional Money Laundering;  
DENNIS EMMETT, ) 18 U.S.C. § 2: Aiding and  
16 WILLIAM CLOUD, and ) Abetting and Causing an Act To  
17 SCOTT HENRY WALTHER, ) Be Done]  
18 Defendants. )  
\_\_\_\_\_ )

The Grand Jury charges:

COUNTS ONE THROUGH ELEVEN

[18 U.S.C. §§ 1341, 2]

## A. INTRODUCTION

1. At all times relevant to this Indictment;

a. Shamrock Agency, German Swiss Group, World Expert  
ual Medical Insurance Co, Old Amsterdam Trust Co. Euro

Fund, Mutual Medical Insurance Co, Old Amsterdam Trust Co, Euro

EML:eml

1 American Fax Co, European Union Commission, EU American Payment  
2 Co, Global Search Network, North American Foreign Payments  
3 Services, Worldwide Verification Service, and others  
4 (collectively, the "Fraudulent Lottery and Pension Companies")  
5 were companies purporting to, for a fee, enter individuals in the  
6 United States into foreign and domestic lotteries, and to set up  
7 pension accounts.

8 b. Defendants SONNY VLEISIDES ("VLEISIDES"), JAMES  
9 RAY HOUSTON, aka Rex Rogers ("HOUSTON"), and DENNIS EMMETT  
10 ("EMMETT") owned and controlled portions of the Fraudulent  
11 Lottery and Pension Companies.

12 c. Defendant WILLIAM CLOUD ("CLOUD") worked for the  
13 Fraudulent Lottery and Pension Companies, which work included  
14 handling offshore mailing addresses, creating and maintaining  
15 victim lists, and handling and directing the handling of victim  
16 funds.

17 d. Defendant SCOTT HENRY WALTHER ("WALTHER") worked  
18 for the Fraudulent Lottery and Pension Companies, which work  
19 included overseeing the finances of the Fraudulent Lottery and  
20 Pension Companies, and controlling some of the bank accounts  
21 related to those entities.

22 B. THE SCHEME TO DEFRAUD

23 2. Beginning in or about 1990, and continuing to at least  
24 in or about July 2006, in Los Angeles, Orange, Ventura, San Louis  
25 Obispo, and Riverside Counties, within the Central District of  
26 California, and elsewhere, defendants VLEISIDES, HOUSTON, EMMETT,  
27 CLOUD, and WALTHER, together with others known and unknown to the  
28 Grand Jury, knowingly and with intent to defraud, devised,

1 participated in, and executed a scheme to defraud victims as to a  
2 material matter, and to obtain money and property from such  
3 victims by means of material false and fraudulent pretenses,  
4 representations, and promises, and by the concealment of material  
5 facts.

6       3. To execute the scheme to defraud, defendants VLEISIDES,  
7 HOUSTON, EMMETT, CLOUD, and WALTHER and others known and unknown  
8 to the Grand Jury set up and operated the Fraudulent Lottery and  
9 Pension Companies. The scheme operated as follows:

10       a. Defendants VLEISIDES, HOUSTON, EMMETT, CLOUD, and  
11 WALTHER, and others known and unknown to the Grand Jury created  
12 and sent over one million solicitations purportedly offering  
13 increased chances of winning foreign and domestic lotteries such  
14 as "The Australian Lottery," "The International Irish  
15 Sweepstakes," "The El Gordo," "The Bunderschmidt," "The NY Super  
16 7," and the "Triple Crown Lottery." The solicitations claimed  
17 that the victims were purchasing "positions" in tickets to  
18 lotteries that would be grouped together or "pooled" to buy  
19 larger blocks of tickets. The solicitations contained various  
20 misrepresentations, including but not limited to the following:

21           i. That money sent by participants in the pool  
22 would be used to purchase tickets in lotteries, horse races, and  
23 other such games;

24           ii. That participants in the pool had a chance to  
25 win millions of dollars;

26           iii. That previous participants in the pool had  
27 won millions of dollars through the pool;

28

iv. That the companies were backed by governmental and/or legitimate lottery entities;

v. That the companies were well-established and had been in business for long periods of time; and

vi. That winnings invested into the lottery's trust or pension accounts would pay monthly pension checks until the end of the victim's life, and then would pay an amount to a beneficiary as if the money were a life insurance policy.

b. The solicitations induced the victims to send payments to the Fraudulent Lottery and Pension Companies via the United States mail, in that along with the solicitations, defendants VLEISIDES, HOUSTON, EMMETT, CLOUD, and WALTHER and others known and unknown to the Grand Jury provided the victims with envelopes preaddressed to commercial mail receiving agencies established by defendant CLOUD and others known and unknown to the Grand Jury in the Netherlands and Ireland, among other locations.

c. At the direction of defendants VLEISIDES, HOUSTON, and EMMETT, defendant WALTHER and others known and unknown to the Grand Jury first deposited the victims' money into accounts defendant WALTHER and others known and unknown to the Grand Jury established at numerous banks in accounts with names that sounded like official lotteries, for example: Shamrock Agency, World Expert, Old Amsterdam, German Swiss, Global Search Newtwork, and EUC, and official pensions, for example: Mutual Medical Insurance Company ("the Deposit Accounts")

d. After the victims' money was deposited into the Deposit Accounts, at the direction of defendants VLEISERGES

1 HOUSTON, and EMMETT, defendant WALTHER and others known and  
2 unknown to the Grand Jury transferred some of the victims' money  
3 into another set of accounts, with the following names, among  
4 others: North American Payment and EU Payment Service ("the  
5 Payment Accounts").

6 e. From the Payment Accounts, at the direction of  
7 defendants VLEISIDES, HOUSTON, and EMMETT, defendant WALTHER and  
8 others known and unknown to the Grand Jury wrote checks falsely  
9 represented as lottery winnings and sent them back to the  
10 victims. The amount of the alleged "winnings" sent to each  
11 victim was far less than the amount the victim had sent in.

12 f. At the direction of defendants VLEISIDES, HOUSTON,  
13 and EMMETT, defendant WALTHER and others known and unknown to the  
14 Grand Jury transferred some of the money from the Lottery  
15 Accounts and Payment Accounts to another set of accounts, which  
16 were in names similar to Henry Walther Attorney Wire Account  
17 ("the Syphon Accounts").

18 g. At the direction of defendants VLEISIDES, HOUSTON,  
19 and EMMETT, defendant WALTHER and others known and unknown to the  
20 Grand Jury wrote checks (or transferred money by wire) from the  
21 Lottery Accounts and the Payment Accounts to the Syphon Accounts.

22 h. Defendants VLEISIDES, HOUSTON, EMMETT, CLOUD, and  
23 WALTHER and others known and unknown to the Grand Jury used money  
24 from the Syphon Accounts to continue the scheme by paying scheme  
25 expenses, as well as to provide benefits to defendants VLEISIDES,  
26 HOUSTON, EMMETT, CLOUD, and WALTHER.

27 i. Defendants VLEISIDES, HOUSTON, EMMETT, CLOUD, and  
28 WALTHER and others known and unknown to the Grand Jury also

1 misappropriated funds from the Lottery Accounts and Payment  
2 Accounts in the form of checks to cash, checks to themselves, or  
3 checks to the payment of personal or scheme expenses.

4 C. THE MISREPRESENTATIONS AND CONCEALMENT OF MATERIAL FACTS

5 4. In furtherance of the scheme to defraud, defendants  
6 VLEISIDES, HOUSTON, EMMETT, CLOUD, and WALThER, and others known  
7 and unknown to the Grand Jury, engaged in and willfully caused  
8 others known and unknown to the Grand Jury to engage in the  
9 following material fraudulent and deceptive acts, practices,  
10 devices, and representations, among others, and knowingly  
11 concealed and caused others known and unknown to the Grand Jury  
12 to conceal the following material facts, among others:

13 a. Defendants VLEISIDES, HOUSTON, EMMETT, CLOUD, and  
14 WALThER falsely represented to victims, and caused others known  
15 and unknown to the Grand Jury to falsely represent to victims,  
16 that if the victims sent money to the Fraudulent Lottery and  
17 Pension Companies, that money would be used to purchase tickets  
18 in lotteries and other such games. In truth and in fact, as  
19 defendants VLEISIDES, HOUSTON, EMMETT, CLOUD, and WALThER then  
20 well knew, the money was not used to purchase such tickets, but  
21 rather was used to send purported winnings to other victims, to  
22 otherwise further the fraudulent scheme, and to benefit  
23 defendants VLEISIDES, HOUSTON, EMMETT, CLOUD, WALThER and others  
24 known and unknown to the Grand Jury.

25 b. Defendants VLEISIDES, HOUSTON, EMMETT, CLOUD, and  
26 WALThER falsely represented to victims, and caused others known  
27 and unknown to the Grand Jury to falsely represent to victims,  
28 that if the victims sent money to the Fraudulent Lottery and

1 Pension Companies, they had a chance to win millions of dollars  
2 through the Fraudulent Lottery and Pension Companies. In truth  
3 and in fact, as defendants VLEISIDES, HOUSTON, EMMETT, CLOUD, and  
4 WALTHER then well knew, no participant had a chance to win  
5 millions of dollars through the Fraudulent Lottery and Pension  
6 Companies.

7 c. Defendants VLEISIDES, HOUSTON, EMMETT, CLOUD, and  
8 WALTHER falsely represented to victims, and caused others known  
9 and unknown to the Grand Jury to falsely represent to victims,  
10 that previous participants in the Fraudulent Lottery and Pension  
11 Companies had won millions of dollars. In truth and in fact, as  
12 defendants VLEISIDES, HOUSTON, EMMETT, CLOUD, and WALTHER then  
13 well knew, no participant in the Fraudulent Lottery and Pension  
14 Companies had ever won millions of dollars through the Fraudulent  
15 Lottery and Pension Companies.

16 d. Defendants VLEISIDES, HOUSTON, EMMETT, CLOUD, and  
17 WALTHER falsely represented to victims, and caused others known  
18 and unknown to the Grand Jury to falsely represent to victims,  
19 that the Fraudulent Lottery and Pension Companies were backed by  
20 governmental and/or legitimate lottery entities. In truth and in  
21 fact, as defendants VLEISIDES, HOUSTON, EMMETT, CLOUD, and  
22 WALTHER then well knew, the Fraudulent Lottery and Pension  
23 Companies were not backed by any governmental or legitimate  
24 lottery entity.

25 e. Defendants VLEISIDES, HOUSTON, EMMETT, CLOUD, and  
26 WALTHER falsely represented to victims, and caused others known  
27 and unknown to the Grand Jury to falsely represent to victims,  
28 that checks sent to victims represented winnings from the

1 victims' participation in lotteries, horse races, or other games.  
2 In truth and in fact, as defendants VLEISIDES, HOUSTON, EMMETT,  
3 CLOUD, and WALther then well knew, the checks sent to victims  
4 were not from victims' winnings but were actually funds sent in  
5 by other victims.

6 f. Defendants VLEISIDES, HOUSTON, EMMETT, CLOUD, and  
7 WALther falsely represented to victims, and caused others known  
8 and unknown to the Grand Jury to falsely represent to victims,  
9 that winnings invested into the Fraudulent Lottery and Pension  
10 Companies' accounts would pay monthly pension checks until the  
11 end of the victim's life, and then would pay an amount to a  
12 beneficiary as if the money were a life insurance policy. In  
13 truth and in fact, as defendants VLEISIDES, HOUSTON, EMMETT,  
14 CLOUD, and WALther then well knew, there were no separate pension  
15 or life insurance accounts for victims, and victims would not be  
16 paid as promised.

17 g. Defendants VLEISIDES, HOUSTON, EMMETT, CLOUD, and  
18 WALther caused letters to be sent to victims falsely claiming to  
19 be from individuals with a background in and connection to  
20 legitimate foreign lotteries. In truth and in fact, as  
21 defendants VLEISIDES, HOUSTON, EMMETT, CLOUD, and WALther then  
22 well knew, the persons from whom the letters sent by the  
23 Fraudulent Lottery and Pension Company purported to be did not  
24 exist.

25 D. THE EFFECT OF THE SCHEME TO DEFRAUD

26 5. Through the above-described scheme to defraud,  
27 defendants VLEISIDES, HOUSTON, EMMETT, CLOUD, and WALther caused  
28

1 tens of thousands of victims to send over \$25 million to the  
2 Fraudulent Lottery and Pension Companies.

3 E. THE MAILINGS

4 6. On or about the dates listed below, in Los Angeles,  
5 Orange, Ventura, San Louis Obispo, and Riverside Counties, within  
6 the Central District of California, and elsewhere, defendants  
7 VLEISIDES, HOUSTON, EMMETT, CLOUD, and WALTHER, for the purpose  
8 of executing the above-described scheme to defraud, caused the  
9 following items to be placed in an authorized depository for mail  
10 matter and to be sent and delivered by the U.S. Postal Service  
11 and to be deposited with and to be delivered by private and  
12 commercial interstate carriers, according to the directions  
13 thereon:

| 14 | <u>COUNT</u> | <u>DATE</u> | <u>DESCRIPTION</u>   |
|----|--------------|-------------|--|
| 15 | ONE          | 03/08/02    | Letter from The Shamrock Agency to<br>P.G. in Murrieta, California                                 |
| 16 | TWO          | 03/18/02    | Letter from World Expert Fund to<br>L.G. in Long Beach, California                                 |
| 17 | THREE        | 03/19/03    | Letter from Old Amsterdam Gold<br>Reserve Mutual Pension Pool to L.G.<br>in Long Beach, California |
| 18 | FOUR         | 07/31/04    | Letter from World Expert Fund/Old<br>Amsterdam to B.B. in Laguna Woods,<br>California              |
| 19 | FIVE         | 04/25/05    | Letter from World Expert<br>Fund/Bunderschmidt to B.B. in<br>Laguna Woods, California              |
| 20 | SIX          | 04/25/05    | Letter from El Gordo/Global Search<br>Network to F.P. in Camarillo,<br>California                  |
| 21 | SEVEN        | 08/09/05    | Letter from World Expert Fund to<br>L.G. in Long Beach, California                                 |

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|    | <u>COUNT</u> | <u>DATE</u> | <u>DESCRIPTION</u>  |
|----|--------------|-------------|---|
| 1  | EIGHT        | 05/17/06    | Letter from World Expert Fund/Australian Lottery to D.T. in North Hollywood, California |
| 2  | NINE         | 05/23/06    | Letter from World Expert Fund/Euro Pro Lottery to D.T. in North Hollywood, California   |
| 3  | TEN          | 05/31/06    | Letter from World Expert Fund/Euro Pro to J.S. in Paso Robles, California               |
| 4  | ELEVEN       | 06/23/06    | Letter from El Gordo/GSN to F.M. in Lakewood, California                                |
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1 COUNTS TWELVE THROUGH TWENTY-THREE

2 [18 U.S.C. §§ 1956(a)(1)(A)(i), 2]

3 7. The Grand Jury hereby realleges and incorporates by  
4 reference paragraphs one through five of this Indictment.

5 8. On or about the following dates, in Los Angeles County,  
6 within the Central District of California, and elsewhere,  
7 defendants SONNY VLEISIDES, JAMES RAY HOUSTON, DENNIS EMMETT,  
8 WILLIAM CLOUD, and SCOTT HENRY WALTHER, knowing that the property  
9 involved in each of the financial transactions represented the  
10 proceeds of some form of unlawful activity, knowingly conducted,  
11 attempted to conduct, and aided, abetted, counseled, commanded,  
12 induced, procured, and willfully caused the following financial  
13 transactions affecting interstate commerce, which transactions in  
14 fact involved the proceeds of specified unlawful activity, that  
15 is, mail fraud, in violation of Title 18, United States Code,  
16 Section 1341, with the intent to promote the carrying on of such  
17 specified unlawful activity:

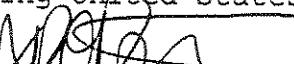
| <u>COUNT</u> | <u>DATE</u> | <u>FINANCIAL TRANSACTION</u>  |
|--------------|-------------|---|
| TWELVE       | 07/24/02    | Check number 2002, in the amount of \$5,000.00, written on Wells Fargo Bank account number XXXXXX1687, in the name of North American Foreign Payment, to Western Internet Specialty Group |
| THIRTEEN     | 07/24/02    | Check number 2004, in the amount of \$4,918.91, written on Wells Fargo Bank account number XXXXXX1687, in the name of North American Foreign Payment, to Western Internet Specialty Group |

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|    | <u>COUNT</u> | <u>DATE</u> | <u>FINANCIAL TRANSACTION</u>  |
|----|--------------|-------------|---|
| 1  | FOURTEEN     | 10/21/02    | Check number 1069, in the amount of \$8,000.00, written on Citibank account number XXXXXXXX4884, in the name of European Union Fulfilment Commission, to Mail Distribution Center |
| 2  | FIFTEEN      | 11/15/02    | Check number 119, in the amount of \$287.00, written on Citibank account number XXXXXX4990, in the name of World Expert Fund, to Jenill Nettleton                                 |
| 3  | SIXTEEN      | 12/10/02    | Check number 1081, in the amount of \$5,000.00, written on Encino Bank account number XXXXX8795, in the name of Old Amsterdam Trust, to Western Internet Specialty Group          |
| 4  | SEVENTEEN    | 01/14/03    | Check number 158, in the amount of \$4,995.00, written on Citibank account number XXXXXX4990, in the name of World Expert Fund, to Western Internet Specialty Group               |
| 5  | EIGHTEEN     | 05/19/03    | Check number 210, in the amount of \$8,000.00, written on Bank of America account number XXXXXX3386, in the name of Global Search Network, to Mail Distribution Center            |
| 6  | NINETEEN     | 08/23/04    | Check number 1023, in the amount of \$3,824.06, written on Georgia State Bank account number XXX6927, in the name of Euro American Fax, to Astro Computer Service                 |
| 7  | TWENTY       | 12/22/03    | Check number 339, in the amount of \$9,000.00, written on Bank of America account number XXXXXX3386, in the name of Global Search Network, to James Elliott                       |
| 8  | TWENTY-ONE   | 08/30/04    | Check number 1303, in the amount of \$3,824.06, written on Georgia State Bank account number XXX6927, in the name of Euro American Fax, to Picasso Press                          |
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| 1 | COUNT        | DATE     | FINANCIAL TRANSACTION   |
|---|--------------|----------|---|
| 2 | TWENTY-TWO   | 05/23/05 | Check number 2205, in the amount of<br>3 \$240.00, written on US Bank account<br>number XXXXXXXX5188, in the name of<br>4 The Shamrock Agency, to Wits End<br>Delivery Service          |
| 5 | TWENTY-THREE | 05/23/05 | Check number 2206, in the amount of<br>6 \$1,990.80, written on US Bank<br>7 account number XXXXXXXX5188, in the<br>name of The Shamrock Agency, to<br>Western Internet Specialty Group |

8  
9 A TRUE BILL10 " | S | "  
11 Foreperson12 GEORGE S. CARDONA  
13 Acting United States Attorney14   
THOMAS P. O'BRIEN  
15 Assistant United States Attorney  
Chief, Criminal Division16 CHRISTINE C. EWELL  
17 Assistant United States Attorney  
18 Chief, Major Frauds Section19 DAVID K. WILLINGHAM  
20 Assistant United States Attorney  
Deputy Chief, Major Frauds Section21 ELLYN MARCUS LINDSAY  
22 Assistant United States Attorney  
23 Major Frauds Section